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## CENTRAL INTELLIGENCE AGENCY

6 June 1950

INTELLIGENCE MEMORANDUM NO. 296

SUBJECT: Current Situation in The Philippines.

Even though deteriorating conditions in the Philippines should in the near future cause the downfall of President Quirino, the succeeding administration could be expected to be pro-US. If the present decline in stability throughout the Philippines continues for as much as ten years, however, pro-Communist forces might be able to seize power.

Deterioration in the Philippines is primarily a result of weaknesses in the young nation's political leadership, together with the government's inability to halt outbreaks of Communist-directed violence. Economic difficulties constitute a secondary but severe cause of unrest.

There is a widespread and increasing loss of popular confidence in President Quirino, largely as a result of his administration's incompetence, corruption, abuse of power, and inability to maintain law and order.

The Philippine Armed Forces are at present capable of preventing a violent overthrow of the government by the Communist-led Hukbalahap (whose activities are now confined for the most part to Luzon), but are unable to destroy the Huks or prevent their recurrent raids. If Huk capabilities continue to improve and present conditions continue to lower the morale of government forces, the rebels may eventually emerge victorious.

The Quirino administration is neither able nor apparently willing to institute the reforms required to halt present political and economic trends in the Philippines. Quirino's removal from office in favor of Vice President Lopez might temporarily improve the situation, but would not go far enough in correcting present inequities to reverse the long-term trend toward increasing instability. US economic and military assistance under a continuation of present circumstances might prolong the life of pro-US regimes but even with such aid, fundamental reforms would still be necessary to prevent ultimate Communist control.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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~~SECRET~~1. Political Situation.

The Philippine apathy toward government, largely a result of political immaturity and inadequate education, is changing to active resentment against governmental inefficiency and abuses. Loss of confidence in the government, and particularly in President Elpidio Quirino, has become general and has extended even to the inner circle of officials upon whom the President has heretofore depended for support. These developments, which handicap an already weak and ineffective administration in its efforts to maintain law and order, also strengthen the Communist-led Huk movement in Luzon.

a. Executive Leadership.

Strong executive leadership has been traditional in the Philippines and continues to be expected by the Filipino people. The Philippine Constitution delegates broad powers to the President, and the great popularity of the late Manuel Quezon reflected general approbation of his vigorous leadership as first President of the Commonwealth. Quirino, on the other hand, despite an oppressive disregard for civil rights, has been unable to maintain law and order, and has permitted excessive graft, corruption, and inefficiency. Loss of confidence in Quirino's ability has led to growing popular concern over his abuses of power and those he tolerates among his supporters and subordinates. STAT

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It is probable that Quirino will continue to abuse his powers in an attempt not only to quell Communist-inspired violence but to subdue legal opposition as well. This development, which would mean increased loss of confidence in and opposition to the administration, would strengthen the Communists. In the face of this prospect , it is possible that a co-STAT alition of his political subordinates and opponents may strip him of all real authority. General maneuvering in this direction, which has already been observed, is an added source of administrative weakness and of diminishing public confidence.

Vice President Fernando Lopez, the most likely successor to Quirino, is a member of the wealthy land-owning class that dominates Filipino political life. Despite a reputed progressive viewpoint, he has always identified himself with vested economic and political interests. Lopez is becoming increasingly popular and, if he assumed office, might be able to increase administrative efficiency somewhat and restore a measure of popular confidence. Lopez' background, however, suggests that he would not be able to institute the broad administrative, political, and economic reforms necessary to obtain

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continuing popular support.

b. Law Enforcement.

Although the Philippine Republic's law enforcement agencies are presently believed to be adequate to prevent forceful Huk overthrow of the government, neither the Philippine Constabulary, the agency primarily responsible for maintaining law and order, nor the Philippine Armed Forces has yet demonstrated satisfactory capability for maintaining law and order or even for preventing destructive raids by the Huks.

The government's security forces also face a difficult problem because many Filipinos have their own firearms and because of rivalry with various special police units which are responsible solely to local officials. Widespread abuses of police authority by all law-enforcing groups, moreover, have resulted in a non-cooperative attitude on the part of the general public.

c. Government Administration.

Government instability is aggravated by administrative corruption and inefficiency at virtually all levels. In lower echelons, this situation has resulted primarily from inadequate pay and from inexperience. Among the small group of wealthy landowners and entrepreneurs who constitute the Filipino ruling clique, corruption has resulted from a lack of civic spirit, from knowledge of economic power, and from confidence in the past apathy of the disorganized and uneducated mass of the people. Among the elite, personal enrichment and the protection of vested interests continue to be overriding motives for holding public office.

d. The Party System.

The two major Philippine political parties - Liberal and Nacionalista - have few differences in their platforms. Party members, and even party leaders, shift their loyalties frequently and rapidly, depending on their personal assessment of relative party strengths. Currently, for example, many of the senators elected on President Quirino's Liberal Party ticket have turned against the President. The Communists, who have been quick to sense the significance of these weaknesses and who hope to discredit the whole party system, are continually propagandizing the Filipino people regarding the self-interest and venality of the nation's politicians.

- 3 -

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## 2. Economic Situation.

Economic conditions per se are less directly responsible than political for instability in the Philippines, although the consequences of such aspects of the economic situation as the agrarian problem have been felt in the political and even the military field.

The Republic is almost self-sufficient in food, a fact which favors long-range stability. Long-standing inequalities in the nation's agrarian system, however, have been exploited by the Communists and have not only facilitated the development of the Huk movement in Luzon but are producing unrest elsewhere in the archipelago. Continued failure of the Philippine governing class -- the beneficiaries of this agrarian system -- to alleviate these inequities has provided local Communists with excellent opportunities to organize the otherwise leaderless peasantry.

The nation's rapidly deteriorating financial position, although a less deep-rooted problem, is an immediately critical one. Heavy budgetary deficits and a serious depletion of foreign reserves have obliged the government to tighten import controls drastically and to propose tax increases. These measures were necessary, but inefficient administration will continue to reduce their effectiveness. In addition, the resultant sharp price increases of such key imported consumer goods as textiles and the general difficulties and uncertainties of conducting foreign trade have increased popular doubt as to the country's economic future, thus aggravating the present political instability.

## 3. Military Situation.

The Hukbalahap, a peasant organization which was formed during the last war to oppose the Japanese and which is now under Communist leadership, constitutes the main military threat to the stability of the Philippine Government. Although Huk activity is presently confined for the most part to the island of Luzon, it is expanding and growing more intensive. Total Huk strength today is estimated at 15,000, and is expected to increase. Their total armed strength at any one time, however, is believed to be between 8,000 and 10,000.

The Huks are equipped with weapons suitable for guerrilla operations, and their ammunition supply has been secured from abandoned stocks or through purchases, theft, or seizure from government forces. Food and clothing, if not willingly contributed by sympathetic peasants and villagers, may easily be obtained by force or intimidation.

Loyalty and morale of the Huks are difficult to assess. The fact, however, that very few Huks have taken advantage of past Government amnesty offers, indicates that the leaders have, by whatever means, been able to retain adherence of their following.

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In the past, Huk activity took the form of series of raids in one location after another, followed by periods of relative quiet. Recent raids, however, have been better coordinated and executed, indicating the development of a more centralized control.

The military forces of the Philippines number approximately 33,000. This figure includes an Army of 6,000, and a Constabulary of 17,000, a Navy of 2,300, and an Air Force of 2,600. The Navy has 38 small vessels and the Air Force 50 F-51 fighters and about 250 other aircraft.

Military action against the Huks is the principal mission of the Army and the Constabulary. The role of the Navy and the Air Force in Huk operations is secondary. Naval forces, however, are not considered adequate for patrolling the extensive Philippine coastline, and hence would not be capable of preventing outside support from reaching the dissidents. The Air Force is employed in tactical support of the ground forces.

The government forces, all of whose materiel is of US origin, are well-equipped in comparison with their opponents. Combat efficiency in both the Army and Constabulary suffers from lack of coordination between these commands and from the failure to relieve small units long in the field. Although there is as yet little indication that the deteriorating political situation has affected loyalty, morale in general is not high. Unit leadership is not of high quality, and an aggressive spirit is lacking in all ranks. Ineffectiveness of government forces is in part attributable to difficult terrain and local sympathy for the Huks